



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

VIA Facsimile (202-842-5825) and First Class Mail

APR 20 2012

Patricia A. Fiori, Esq.  
Utrecht & Phillips, PLLC  
1900 M Street, NW, Suite 500  
Washington, DC 20036

RE: MUR 6527  
John Edwards for President and Lora Haggard,  
in her official capacity as treasurer


Dear Ms. Fiori:

On April 12, 2012, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 434(b)(5)(D) and 11 C.F.R. § 104.3(b)(4)(iii), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

  
Camilla Jackson Jones  
Attorney

Enclosure  
Conciliation Agreement

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**BEFORE THE FEDERAL ELECTION COMMISSION**

2012 APR 20 AM 11:18

In the Matter of )  
 )  
 John Edwards for President and Lora Haggard, )  
 in her official capacity as treasurer )  
 )

MURKIN OFFICE OF GENERAL  
COUNSEL

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Based on a Commission audit of John Edwards for President covering the period January 3, 2007 through March 31, 2008, the Commission found reason to believe John Edwards for President and its treasurer<sup>1</sup> ("Respondents" or "JEFP") violated 2 U.S.C. § 434(b)(5)(D) and 11 C.F.R. § 104.3(b)(4)(iii).

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents voluntarily enter into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

<sup>1</sup> JEFP filed an amended Statement of Organization on March 28, 2012 naming Lora Haggard as treasurer, replacing Julius Chambers as treasurer and respondent, in his official capacity in this matter. Mr. Chambers was JEFP's treasurer at the time of the violations enumerated herein.

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1. John Edwards for President was the principal campaign committee of Senator John Edwards for the 2008 presidential election, within the meaning of 2 U.S.C. § 431(5).

2. Lora Haggard is the current treasurer of JEPF.

3. The Federal Election Campaign Act of 1971, as amended, ("the Act") provides that a committee that obtains a loan from a bank must itemize the receipt of the loan, regardless of the amount, on a separate Schedule A for the appropriate loan category, and all repayments made on the loan must be itemized on the Schedule B-P (Itemized Disbursements) and Schedule C (Loans). 2 U.S.C. § 434(b)(3)(E) and (5)(D); 11 C.F.R. §§ 104.3(a)(3)(vii), 104.3(b)(2)(iii) and 104.3(d). A committee that obtains a loan from a bank also must file a Schedule C-1 (Loans and Lines of Credit from Lending Institutions) with the first report due after it receives a new loan or a new line of credit has been established. 11 C.F.R. § 104.3(d)(1). A committee must continue to itemize and report all loans until they are repaid in full. 11 C.F.R. §§ 104.3(d) and 104.11.

4. In November 2007 and December 2007, JEPF originated three loans with the same bank in Alexandria, Virginia: the first loan on November 30, 2007 for \$5.2 million; the second loan on December 19, 2007 for \$2.6 million; and the third loan on December 28, 2007 for \$1.3 million. The three loans totaled \$9.1 million, and each had a due date of May 31, 2008. JEPF reported the loans, along with the repayment installments, in its monthly disclosure reports for the period December 2007 - June 2008 without error, except for the April 2008 Monthly Report.

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5. The April 2008 Monthly Report was filed on April 20, 2008. At that time, Senator Edwards was no longer a candidate, but JEFP remained obligated to file disclosure reports with the Commission.

6. In the course of conducting an audit of JEFP, pursuant to 2 U.S.C. § 438(b), the Audit staff identified four loan installment repayments, totaling \$4,344,469, that were not properly itemized in the April 2008 Monthly Report. JEFP made four loan installment payments for the following dates and amounts: \$1,112,253.40 on March 6, 2008; \$1,101,700.04 on March 13, 2008; \$1,067,843.06 on March 20, 2008; and \$1,062,672.76 on March 27, 2008. JEFP included the aggregate amounts of these repayments on the Detailed Summary Pages of its April 2008 Monthly Report, and itemized them on Schedule C and Schedule C-1, but did not itemize them on Schedule B-P (Itemized Disbursements) of the report. JEFP agreed to amend its April 2008 Monthly Report to appropriately itemize the loan repayments during the audit exit interview, and thereafter filed an amended April 2008 Monthly Report itemizing the four loan repayments on the Schedule B-P.

7. JEFP contends that its failure to itemize payments on the Schedule B-P of the April 2008 Monthly Report may have resulted from a technical error in software, which is normally programmed to automatically generate such itemizations.

V. Respondents violated 2 U.S.C. § 434(b)(5)(D) and 11 C.F.R. § 104.3(b)(4)(iii) by failing to properly itemize loan repayments on the Schedule B-P in its April 2008 Monthly Report.

VI. Respondents will take the following actions:

1. Respondents will cease and desist from violating 2 U.S.C. § 434(b)(5)(D) and 11 C.F.R. § 104.3(b)(4)(iii).

2. Respondents will pay a civil penalty of Four Thousand Nine Hundred Dollars (\$4,900), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

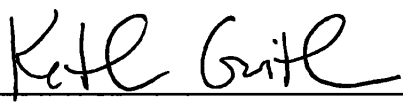
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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:


Anthony Herman  
General Counsel

BY:

  
Kathleen Guith  
Deputy Associate General Counsel  
for Enforcement

4-20-12  
Date

FOR THE RESPONDENTS:

  
Patricia A. Fiori  
Counsel to John Edwards for President and  
Lora Haggard, in her official capacity as treasurer

MARCH 28, 2012  
Date

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